We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Clovis Unified School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, budgetary comparison information on page 78, schedule of changes in the District's net OPEB liability and related ratios on page 79, schedule of the District's proportionate share of the net OPEB liability – MPP program on page 80, schedule of the District's proportionate share of the net pension liability on page 81, and the schedule of District contributions on page 82, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clovis Unified School District's financial statements. The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 17, 2021 on our consideration of Clovis Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clovis Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clovis Unified School District's internal control over financial reporting and compliance.

Eide Bailly LLP

Fresno, California
January 17, 2021

Management's Discussion and Analysis
June 30, 2020

This section of Clovis Unified School District's (the District) annual financial report presents the management's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020, with comparative information for the fiscal year ending June 30, 2019.

Financial Highlights

The District continued its long history of implementing conservative budgets and proactively addressing the volatility of the State of California's revenues resulting in the District maintaining reserve levels well above the State's minimum amount of two percent.

Overview of the Financial Statements

This annual report consists of three parts; management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

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Figure A-1. Organization of Clovis Unified's Annual Financial Report

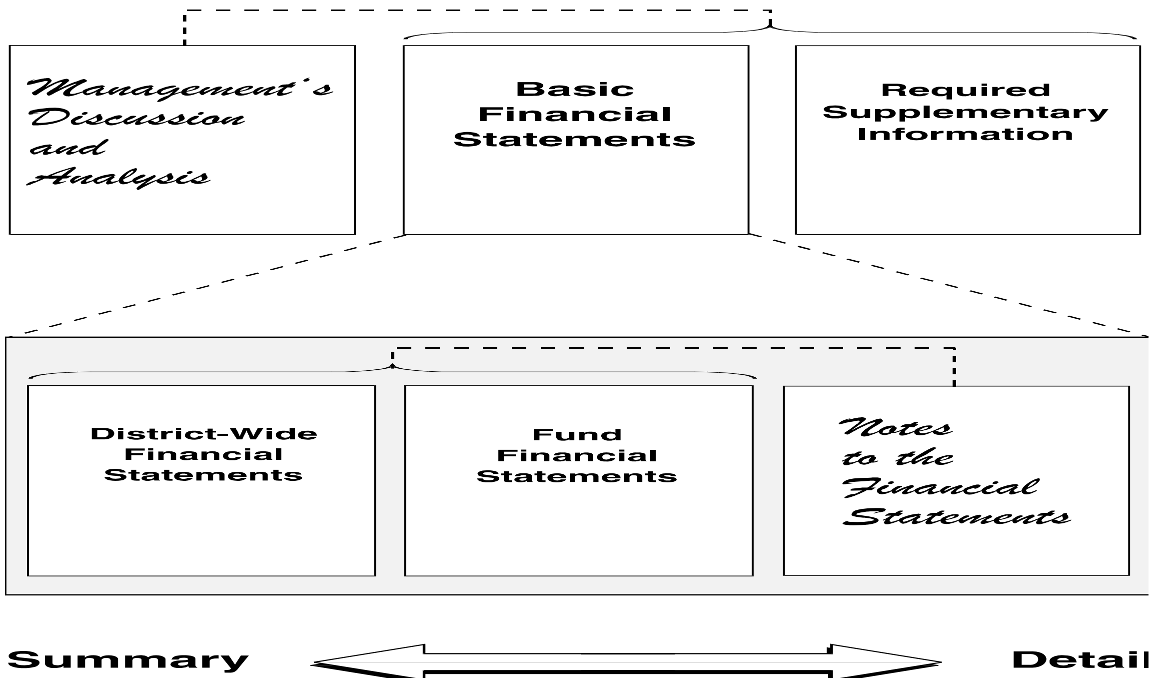

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the Government-wide and Fund Financial Statements

		Fund Statements	
Type of Statements	**Government-Wide**	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire District, except fiduciary activities	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as student body activities.
Required financial statements	•Statement of net position •Statement of activities	•Balance sheet •Statement of revenues, expenditures & changes in fund balances •Reconciliation to government-wide financial statements	•Statement of fiduciary net position •Statement of changes in fiduciary net position

Figure A-2. Major Features of the Government-wide and Fund Financial Statements

		Fund Statements	
Type of Statements	**Government-Wide**	**Governmental Funds**	**Fiduciary Funds**
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources Focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, bot short-term and long-term; standard funds do not currently contain nonfinancial assets, though they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

These two government-wide statements report the District's net position and how it has changed. Net position (the difference between assets and liabilities) is one way to measure the District's financial health or financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.
- In the government-wide financial statements, the District's activities are combined into one category.

- Governmental activities - The District's basic services are included here, such as regular and special education, transportation, food services, adult education and administration. Property taxes, state formula aid, categorical funding and fees charged, finance most of these activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has three kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

- Proprietary funds **-** When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Changes in Fund Net Position*. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

- Fiduciary funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position: The District's combined net position was $30.6 million on June 30, 2020, increasing by $27.9 million (1,030 percent). (See Table A-1.)

Table A-1

	Governmental Activities	
	2020	2019
Assets		
Current and other assets	$ 385,315,753	$ 303,788,970
Capital assets	956,642,591	942,434,956
Total assets	1,341,958,344	1,246,223,926
Deferred outflows of resources	203,448,856	167,041,185
Liabilities		
Current liabilities	59,856,527	40,115,513
Long-term liabilities	1,427,129,549	1,345,191,613
Total liabilities	1,486,986,076	1,385,307,126
Deferred inflows of resources	27,786,144	25,246,846
Net Position		
Net investment in capital assets	603,399,570	559,676,030
Restricted	114,840,585	76,113,753
Unrestricted	(687,605,175)	(633,078,644)
Total net position	$ 30,634,980	$ 2,711,139

Changes in Net Position: The District's total governmental revenues were $645.7 million (see Table A-2). Property taxes and state aid formula accounted for most of the District's revenue, with federal and state aid contributing about $324.5 million and property taxes contributing about $133.7 million. Another $90.2 million came from categorical programs, $41.5 million came from capital grants, and the remainder came from fees charged for services of $16.1 million and miscellaneous sources of $22.0 million including $17.7 million in developer fees.

The total cost of all governmental programs and services was $617.8 million (see Table A-2). The District's expenses are predominantly related to educating and caring for students (81 percent). The purely administrative activities of the District accounted for just four percent of total costs. Plant services was $59.3 million, accounting for 9.5 percent of the District's expenses. Revenues surpassed expenses, increasing net position by $27.9 million over last year predominately due to the other post-employment expenses recognized from the change in obligations balance from the prior year and changes in the net pension obligation and related deferred outflows and inflows of each.

Table A-2

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	$ 16,059,272	$ 12,733,079
Operating grants and contributions	90,249,426	98,059,505
Capital grants and contributions	41,479,499	-
General revenues		
Federal and State aid not restricted	324,525,549	317,350,812
Property taxes	133,717,496	121,825,408
Other general revenues	39,691,018	63,775,623
Total revenues	645,722,260	613,744,427
Expenses		
Instruction-related	420,362,849	409,168,092
Pupil services	78,947,224	76,477,181
Administration	26,426,115	25,665,842
Plant services	59,284,257	56,662,439
Other	32,777,974	39,446,915
Total expenses	617,798,419	607,420,469
Change in net position	$ 27,923,841	$ 6,323,958

GOVERNMENTAL ACTIVITIES

The continued good health of the District's finances can be credited to:

- Staffing formulas that maintain equality
- Maintaining an awareness of the changing fiscal issues and active participation from the Employee Compensation Committee and Employee Benefit Committee
- Projecting a minimum of five years out on the multi-year projection

Table A-3 presents the cost of six major District activities: instruction, pupil services, administration, plant services and then all remaining categories. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	$ 420,362,849	$ 409,168,092	$ (310,996,671)	$ (335,588,389)
Pupil services	78,947,224	76,477,181	(57,313,087)	(52,294,396)
Administration	26,426,115	25,665,842	(24,455,654)	(23,589,702)
Plant services	59,284,257	56,662,439	(56,890,567)	(53,350,099)
All other services	32,777,974	39,446,915	(20,354,243)	(31,805,299)
Total	$ 617,798,419	$ 607,420,469	$ (470,010,222)	$ (496,627,885)

- The net cost of governmental activities this year was $(470.0) million as reflected on the Statement of Activities.
- Some of the costs were paid by the users of the District's programs totaling $16.1 million.
- The federal and state governments subsidized certain programs with operating grants and contributions totaling $90.2 million.
- Most of the District's costs, $324.5 million, however, were paid for by District taxpayers and the taxpayers of California, in general.

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $270.3 million which is an increase of $59.2 million from last year (Table A-4).

Table A-4

	Balances and Activity			
Governmental Funds	June 30, 2019	Revenues	Expenditures	June 30, 2020
General	$ 115,424,613	$ 508,599,240	$ 492,941,974	$ 131,081,879
Charter Schools	5,153,765	4,949,807	4,225,696	5,877,876
Adult Education	4,591,700	6,050,691	6,757,933	3,884,458
Child Development	2,819,485	12,264,279	14,299,459	784,305
Cafeteria	8,153,167	14,810,281	15,638,449	7,324,999
Deferred Maintenance	79,863	4,024,975	4,035,875	68,963
Building	7,471,938	4,729,761	7,853,346	4,348,353
Capital Facilities	14,999,821	18,722,696	15,663,913	18,058,604
County School Facilities	9,081,472	56,256,874	29,579,730	35,758,616
Special Reserve Fund for Capital Outlay Projects	3,132,025	15,898,105	3,562,168	15,467,962
Bond Interest and Redemption	39,015,301	71,475,905	62,966,491	47,524,715
COP Debt Service Fund	1,098,267	22,370	1,039,311	81,326
Total	$ 211,021,417	$ 717,804,984	$ 658,564,345	$ 270,262,056

The primary reasons for the changes are:

a. The fund balance in the General Fund increased $15.7 million to $131.1 million. The net increase is due to an overall increase in revenues; one-time and ongoing. One-time revenues were not allocated to any expenditures.
b. The special revenue funds reported a net decrease of $2.8 million with minimal changes across all funds except the Child Development Fund which decreased by $2.0 million.
c. The capital projects funds showed an increase of $38.9 million. This overall increase is due to $41.5 million in State construction funding that was finally received for several past projects and about $12.5 million in proceeds from a financing lease the district entered into with the Central Valley Support Services JPA.
d. The Bond Interest and Redemption Fund reported an increase of $8.5 million due to property tax collections in excess of bond principal and interest payments.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the District revised the annual operating budget several times due to updated projections and actual costs. Following are highlights of the largest changes:

- Net increases in both revenue and expense for federal, state and local grant awards.
- Posting of deferred categorical revenue.
- GASB Statement No. 68 requires the District to recognize the State's share of the District's unfunded CalSTRS liability. This resulted in a revenue and expenditure adjustment of $8.3 million.
- Decrease in Fee-based program revenue due to the COVID-19 pandemic.
- The Adopted Budget's revenues over expenditures resulted in the District anticipating a deficit of $4 million. The Adopted Budget was structured in such a way that the District could manage any changes from the State.
- The LCFF was fully funded as of the 2018-2019 fiscal year. The projected ADA growth increased from 323 at Adopted Budget to an actual P-2 ADA growth of 522.
- Actual revenues to expenditures resulted in a surplus of $15.6 million, however $2.3 million of the fund balance is non-spendable, $6.6 million is restricted for restricted programs and $22.5 million is assigned for site and department carryover, student computer refresh, textbooks and LCAP Supplemental programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By June 30, 2020, the District had invested $956.6 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio visual equipment, and administrative offices. (See Table A-5.) This amount represents a net increase of $14.2 million or 1.5 percent over last year. Total depreciation expense for the year was $29.6 million.

Table A-5

	Governmental Activities	
	2020	2019
Land and construction in progress	$ 151,026,515	$ 122,720,962
Buildings and improvements	768,519,569	781,898,528
Equipment	37,096,507	37,815,466
Total	$ 956,642,591	$ 942,434,956

The District has work in progress related to modernization projects at multiple district sites and well as new construction.

The District received $41.5 million state facility revenue for projects completed several years ago. The District was able to proceed with planned modernizations due to the receipt of these funds. In 2019-2020, the District will commence construction of a new elementary school planned to open in August 2020. The new site will be funded with Developer Fee and bond revenues. The project is projected to cost $41 million in its entirety.

Long-Term Liabilities

At year-end the District had $1.4 billion in long-term liabilities outstanding discussed below. This is an increase of five percent from last year, as shown in Table A-6.

Table A-6

	Governmental Activities	
	2020	2019
Long-Term Liabilities		
General obligation bonds	$ 452,098,291	$ 467,700,125
Certificates of participation	1,538,005	3,073,005
Unamortized premiums/(discounts)	8,362,287	8,775,779
Capital leases	13,867,888	2,203,549
Compensated absences	3,473,663	2,913,852
Claims liability	33,790,053	32,895,320
Net OPEB liability	424,477,600	359,502,162
Aggregate net pension liability	489,521,762	468,127,821
Total	$ 1,427,129,549	$ 1,345,191,613

The District's S&P bond rating as of the most recent bond issuance was "AA". In addition, the District's certificates of participation S&P rating at the time of their last issuance was "AA".

At year-end, the District has a net pension liability of $489.5 million versus $468.1 million last year, an increase of $21.4 million, or 4.5 percent. The District also reported Deferred Outflows (asset) from pension activities of $133.9 million, and Deferred Inflows (liability) from pension activities of $27.6 million. The net impact on the Districts net position of these pension related items is $(383.2) million.

The District also has recognized a deferred outflow of resources (asset) of $67.0 million related to it's other postemployment benefits which helps to offset the obligations impact on the total net position of the District.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that could significantly affect its financial health in the future:

- The COVID-19 pandemic has posed economic challenges as it relates to school funding. The path to full recovery remains unknown. The District will continue to monitor and utilize the resources available to ensure financial solvency. Clovis Unified remains prepared to continue to provide high quality service to our students. The District closed the year with a 20.21 percent General Reserve.
- The State's Local Control Funding Formula (LCFF) accounts for 78 percent of the District's General Fund revenues.
- The LCFF attempts to fund students based on their needs related to household income, English language learner, homeless or foster youth. This portion of a district's student population is referred to as the unduplicated pupil percentage (UPP). Clovis Unified's UPP averages 42-45 percent, making the District eligible for the LCFF Base and Supplemental Grants only; the District is not eligible for the Concentration Grant. The District receives the least amount of funding per ADA in Fresno County due to its low UPP.
- Enrollment growth and student attendance is key to the District's financial projections. The District has consistently seen growth over the years and anticipates this trend to continue.
- The Clovis Unified population of students with disabilities has grown an average of 4.13 percent annually over the previous five years, compared to district-wide enrollment growth average of 1.14 percent.
- The state and federal government have never fully funded special education. The District is actively involved in public hearings recently conducted by the State, gathering feedback related to the insufficient funding provided by the State and Federal Governments.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Clovis Unified School District, 1450 Herndon Avenue, Clovis, California 93611.

	Governmental Activities
Assets	
Deposits and investments	$ 306,799,400
Receivables	75,609,418
Prepaid items	261,924
Stores inventories	2,645,011
Capital assets not depreciated	151,026,515
Capital assets, net of accumulated depreciation	805,616,076
Total assets	1,341,958,344
Deferred Outflows of Resources	
Deferred charge on refunding	2,620,902
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	66,972,451
Deferred outflows of resources related to pensions	133,855,503
Total deferred outflows of resources	203,448,856
Liabilities	
Accounts payable	58,824,809
Unearned revenue	1,031,718
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	37,635,767
Long-term liabilities other than OPEB and pensions due in more than one year	475,494,420
Total other postemployment benefits liabilities	424,477,600
Aggregate net pension liabilities	489,521,762
Total liabilities	1,486,986,076
Deferred Inflows of Resources	
Deferred charge on refunding	228,881
Deferred inflows of resources related to pensions	27,557,263
Total deferred inflows of resources	27,786,144
Net Position	
Net investment in capital assets	603,399,570
Restricted for	
Debt service	47,606,041
Capital projects	53,817,220
Educational programs	6,765,071
Child nutrition	6,652,253
Unrestricted	(687,605,175)
Total net position	$ 30,634,980

Functions/Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities					
Instruction	$ 351,414,326	$ 18,991	$ 57,565,210	$ 41,479,499	$ (252,350,626)
Instruction-related activities					
Supervision of instruction	24,437,388	5,027	8,861,255	-	(15,571,106)
Instructional library, media, and technology	7,738,460	-	89,651	-	(7,648,809)
School site administration	36,772,675	-	1,346,545	-	(35,426,130)
Pupil services					
Home-to-school transportation	12,135,894	-	-	-	(12,135,894)
Food services	15,601,377	2,839,077	11,438,415	-	(1,323,885)
All other pupil services	51,209,953	42,563	7,314,082	-	(43,853,308)
Administration					
Data processing	5,454,595	-	13,915	-	(5,440,680)
All other administration	20,971,520	132,117	1,824,429	-	(19,014,974)
Plant services	59,284,257	1,504,740	888,950	-	(56,890,567)
Ancillary services	11,386,019	-	49,613	-	(11,336,406)
Community services	744,804	-	-	-	(744,804)
Enterprise services	31,761	-	-	-	(31,761)
Interest on long-term liabilities	19,551,263	-	-	-	(19,551,263)
Other outgo	1,064,127	11,516,757	857,361	-	11,309,991
Total governmental activities	$ 617,798,419	$ 16,059,272	$ 90,249,426	$ 41,479,499	(470,010,222)

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position Governmental Activities
General Revenues and Subventions	
Property taxes, levied for general purposes	$ 86,671,329
Property taxes, levied for debt service	46,501,364
Taxes levied for other specific purposes	544,803
Federal and State aid not restricted to specific purposes	324,525,549
Interest and investment earnings	10,278,768
Interagency revenues	1,375,465
Special and extraordinary	252,000
Mitigation and developer fees	17,722,931
Miscellaneous	10,061,854
Subtotal, general revenues	497,934,063
Change in Net Position	27,923,841
Net Position - Beginning	2,711,139
Net Position - Ending	$ 30,634,980

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets					
Deposits and investments	$ 114,049,598	$ 35,826,576	$ 47,524,715	$ 55,011,798	$ 252,412,687
Receivables	70,411,692	157,723	-	3,538,707	74,108,122
Due from other funds	13,670	1,617,904	-	1,665,909	3,297,483
Prepaid expenditures	261,924	-	-	-	261,924
Stores inventories	1,939,527	-	-	705,484	2,645,011
Total assets	$ 186,676,411	$ 37,602,203	$ 47,524,715	$ 60,921,898	$ 332,725,227
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 51,330,040	$ 1,473,035	$ -	$ 2,860,321	$ 55,663,396
Due to other funds	3,232,774	370,552	-	2,164,731	5,768,057
Unearned revenue	1,031,718	-	-	-	1,031,718
Total liabilities	55,594,532	1,843,587	-	5,025,052	62,463,171
Fund Balances					
Nonspendable	2,345,451	-	-	708,983	3,054,434
Restricted	6,625,290	35,758,616	47,524,715	41,809,128	131,717,749
Committed	-	-	-	3,917,184	3,917,184
Assigned	22,487,747	-	-	9,461,551	31,949,298
Unassigned	99,623,391	-	-	-	99,623,391
Total fund balances	131,081,879	35,758,616	47,524,715	55,896,846	270,262,056
Total liabilities and fund balances	$ 186,676,411	$ 37,602,203	$ 47,524,715	$ 60,921,898	$ 332,725,227

Total Fund Balance - Governmental Funds		$ 270,262,056
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 1,378,927,607	
Accumulated depreciation is	(422,285,016)	
Net capital assets		956,642,591
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Debt refundings	2,620,902	
Other postemployment benefits	66,972,451	
Net pension obligation	133,855,503	
Total deferred outflows of resources		203,448,856
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Debt refundings	(228,881)	
Net pension obligation	(27,557,263)	
Total deferred inflows of resources		(27,786,144)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(489,521,762)
The District's OPEB liability is not due and payable in the current period, and only $21,407,117 is recognized as a liability in the Self Insurnce Fund of the District. This is the amount not recognized in the funds.		(403,070,483)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
General obligation bonds	(348,744,026)	
Certificates of participation	(1,538,005)	
Capital leases payable	(13,867,888)	
Compensated absences (vacations)	(3,473,663)	
Unamortized premiums and discounts, net	(8,362,287)	
In addition, capital appreciation general obligation bonds were issued. The accretion of interest to date on the general obligation bonds is	(103,354,265)	
Total long-term liabilities		(479,340,134)
Total net position - governmental activities		$ 30,634,980

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
Local Control Funding Formula	$ 392,892,145	$ -	$ -	$ 4,685,649	$ 397,577,794
Federal sources	18,521,320	-	-	12,098,454	30,619,774
Other State sources	71,922,755	41,479,499	329,226	8,738,852	122,470,332
Other local sources	22,678,169	1,533,568	47,602,929	30,948,932	102,763,598
Total revenues	506,014,389	43,013,067	47,932,155	56,471,887	653,431,498
Expenditures					
Current					
Instruction	286,342,871	-	-	16,500,846	302,843,717
Instruction-related activities					
Supervision of instruction	21,370,447	-	-	2,179,228	23,549,675
Instructional library, media, and technology	6,618,519	-	-	274,176	6,892,695
School site administration	28,708,421	-	-	2,487,097	31,195,518
Pupil services					
Home-to-school transportation	12,944,418	-	-	-	12,944,418
Food services	67,609	-	-	14,951,525	15,019,134
All other pupil services	41,299,290	-	-	1,104,623	42,403,913
Administration					
Data processing	5,138,136	-	-	-	5,138,136
All other administration	17,405,931	-	-	1,582,777	18,988,708
Plant services	51,397,514	-	-	5,037,459	56,434,973
Ancillary services	8,218,894	-	-	-	8,218,894
Other outgo	1,064,127	-	-	-	1,064,127
Facility acquisition and construction	939,301	29,579,730	-	10,295,604	40,814,635
Debt service					
Principal	1,479,661	-	49,880,000	1,598,000	52,957,661
Interest and other	43,727	-	13,076,951	191,538	13,312,216
Total expenditures	483,038,866	29,579,730	62,956,951	56,202,873	631,778,420
Excess (Deficiency) of Revenues Over Expenditures	22,975,523	13,433,337	(15,024,796)	269,014	21,653,078
Other Financing Sources (Uses)					
Transfers in	1,384,851	13,243,807	-	12,157,267	26,785,925
Proceeds from capital lease	1,200,000	-	-	315,000	1,515,000
Proceeds from general obligation refunding bonds	-	-	23,543,750	-	23,543,750
Transfers out	(9,903,108)	-	(9,540)	(16,873,277)	(26,785,925)
Net Financing Sources (Uses)	(7,318,257)	13,243,807	23,534,210	8,127,801	37,587,561
Net Change in Fund Balances	15,657,266	26,677,144	8,509,414	8,396,815	59,240,639
Fund Balance - Beginning	115,424,613	9,081,472	39,015,301	47,500,031	211,021,417
Fund Balance - Ending	$ 131,081,879	$ 35,758,616	$ 47,524,715	$ 55,896,846	$ 270,262,056

Total Net Change in Fund Balances - Governmental Funds		$ 59,240,639
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which capital outlays exceed depreciation in the period.		
Depreciation expense	$ (29,556,233)	
Capital outlays	43,763,868	
Net expense adjustment		14,207,635
The District issued capital appreciation general obligations bonds. The accretion of interest on the general obligation bonds during the current fiscal year was		(10,648,166)
Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the Statement of Activities, but rather constitute long-term liabilities in the Statement of Net Position.		(13,270,000)
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used.		(559,811)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(31,210,570)
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and net OPEB liability during the year.		(22,885,105)

Proceeds received from Certificates of Participation or Sale of Bonds is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	(23,630,000)
Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.	
Discount on issuance recognized	86,250
Deferred amount on refunding recognized	3,245,066
Premium amortization	1,130,385
Discount amortization	(29,332)
Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
General obligation bonds	49,880,000
Certificates of participation	1,535,000
Capital leases	1,605,661
Change in net position of governmental activities	$ 27,923,841

	Internal Service Self Insurance Fund
Assets	
Current assets	
Deposits and investments	$ 54,386,713
Receivables	1,501,296
Due from other funds	2,470,574
Total assets	58,358,583
Liabilities	
Current liabilities	
Accounts payable	3,161,413
Noncurrent liabilities	
Claims liabilities	33,790,053
OPEB liability, partial obligation	21,407,117
Total noncurrent liabilities	55,197,170
Total liabilities	58,358,583
Total net position	$ -

	Internal Service Self Insurance Fund
Operating Revenues	
Charges for services	$ 77,665,548
Operating Expenses	
Payroll costs	346,511
Supplies and materials	500,834
Claim payments and adjustments	77,773,951
Total operating expenses	78,621,296
Operating Loss	(955,748)
Nonoperating Revenues	
Fair market value adjustments	955,748
Change in Net Position	-
Total Net Position - Beginning	-
Total Net Position - Ending	$ -

	Internal Service Self Insurance Fund
Operating Activities	
Cash receipts from interfund services provided	$ 80,420,086
Cash payments to other suppliers of goods or services	(500,834)
Cash payments to employees for services	(346,623)
Cash payments claims and adjustments	(74,637,447)
Net Cash From Operating Activities	4,935,182
Noncapital Financing Activities	
Fair market value adjustments	955,748
Net Change in Cash and Cash Equivalents	5,890,930
Cash and Cash Equivalents, Beginning	48,495,783
Cash and Cash Equivalents, Ending	$ 54,386,713
Reconciliation of Operating Loss to Net Cash From Operating Activities	
Operating loss	$ (955,748)
Changes in assets and liabilities	
Receivables	(175,976)
Due from other fund	2,930,514
Accounts payable	(364,486)
Other postemployment benefits liabilities	2,606,145
Incurred but not reported claims	894,733
Net Cash From Operating Activities	$ 4,935,182

	Agency Funds
Assets	
Deposits and investments	$ 2,565,580
Receivables	3,307
Total assets	$ 2,568,887
Liabilities	
Accounts payable	$ 118,380
Due to student groups	2,294,123
Due to other agencies - Warrant/Pass-Through Fund	156,384
Total liabilities	$ 2,568,887

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Clovis Unified School District (the District) was established in 1960 under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates thirty-three elementary schools, five intermediate schools, five high schools, three alternative education schools, one adult school, the Clovis Online Charter School, and the Center for Advanced Research and Technology as a joint high school with Fresno Unified School District.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Clovis Unified School District, this includes general operations, food service, and student related activities of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, and GASB Statement No. 80, Blending Requirements For Certain Component Units and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The District has approved a charter for Clovis Online Charter School pursuant to *Education Code* Section 47605. The Clovis Online Charter School is operated by the District, and its financial activities are presented in the Charter School Fund.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into three broad fund categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

County School Facilities Fund The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition lA), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51), authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a district (*Education Code* Sections 15125-15262).

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities, that compose a substantial portion of the inflows of the fund, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

- **Charter School Fund** The Charter School Fund may be used by authorizing districts to account separately for the operating activities of district-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

- **Adult Education Fund** The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

- **Child Development Fund** The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

- **Cafeteria Fund** The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (*Education Code* Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

- **Deferred Maintenance Fund** The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (*Education Code* Section 17582).

Capital Project Funds The Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

- **Building Fund** The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for, and the payment of, principal and interest on general long-term obligations.

- **Other Debt Service Fund** The Other Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on certificates of participation or capital lease obligations of the District.

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary fund:

- **Internal Service Fund** Internal Service funds may be used to account for goods or services provided to other funds of the District on a cost-reimbursement basis. The District operates a Self Insurance Fund that is accounted for in an internal service fund that accounts for the costs associated with the District's self-insurance programs and its retiree benefits.

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB) and the Warrant/Pass-Through Fund which is used to account for payroll transactions.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and for each governmental function, and exclude fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net position should be reported as restricted when constraints placed on net position are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their use.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Prepaid Expenditures (Expenses)

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary fund when consumed rather than when purchased.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $25,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net position. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 5 to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position, except for the net residual amounts due between governmental and business-type activities which are presented as internal balances.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide statement of net position as long-term obligations.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accounts Payable and Long-Term Liabilities

Accounts payable and long-term liabilities are reported in the government-wide and proprietary fund financial statements. In general, governmental fund accounts payable that are paid in a timely manner and in full from current financial resources are reported as liabilities of the funds.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between expected and actual experience, changes of assumptions, and other pension and OPEB related changes.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for deferred charges on refunding of debt and pension related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid by the fund in which the employee worked.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the CalSTRS Medicare Premium Payment (MPP) Program and additions to/deductions from the MPP's fiduciary net position have been determined on the same basis as they are reported by the MPP. For this purpose, the MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the fund in which the employee worked.

Fund Balances - Governmental Funds

As of June 30, 2020, fund balances of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, the assistant superintendent of business services or the associate superintendent of administrative services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The governing board adopted a minimum fund balance policy for the General Fund in order to protect the district against revenue shortfalls or unpredicted on-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than ten percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $114,840,585 of restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are premiums charged to the operating funds to support the health and welfare and workers' compensation coverage. Operating expenses are necessary costs incurred to provide the services that are the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities column of the Statement of Activities.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Change in Accounting Principles

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019

- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

The provisions of this Statement have been implemented as of June 30, 2020.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition

- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The effects of this change on the District's financial statements have not yet been determined.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Governmental funds	$ 252,412,687
Proprietary funds	54,386,713
Fiduciary funds	2,565,580
Total deposits and investments	$ 309,364,980

Deposits and investments as of June 30, 2020, consist of the following:

Cash awaiting deposit	$ 3,161,558
Cash on hand and in banks	11,038,961
Cash with fiscal agent	13,449,453
Cash in revolving	147,500
Investments	281,567,508
Total deposits and investments	$ 309,364,980

Policies and Practices

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the County Pool which purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Segmented Time Distribution

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the District's investments by maturity:

Investment Type	Reported Amount	12 Months or Less	13 - 24 Months	25 - 60 Months	More Than 60 Months
County Pool	$ 281,567,508	$ -	$ 281,567,508	$ -	$ -

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, $21,880,769 of the District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 3 - Receivables

Receivables at June 30, 2020, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds	Internal Service Fund	Total Governmental Activities	Warrant/ Pass-Through Fund
Federal Government							
Categorical aid	$ 9,273,164	$ -	$ 1,857,387	$ 11,130,551	$ -	$ 11,130,551	$ -
State Government							
LCFF apportionment	52,250,603	-	865,057	53,115,660	-	53,115,660	-
State Grants and Entitlements	5,600,859	-	406,606	6,007,465	-	6,007,465	-
Local sources	3,287,066	157,723	409,657	3,854,446	1,501,296	5,355,742	3,307
Total	$ 70,411,692	$ 157,723	$ 3,538,707	$ 74,108,122	$ 1,501,296	$ 75,609,418	$ 3,307

Note 4 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	$ 101,238,179	$ 1,253,614	$ -	$ 102,491,793
Construction in progress	21,482,783	40,473,662	(13,421,723)	48,534,722
Total capital assets not being depreciated	122,720,962	41,727,276	(13,421,723)	151,026,515
Capital assets being depreciated				
Land improvements	127,693,626	278,437	-	127,972,063
Buildings and improvements	1,007,377,738	11,977,470	-	1,019,355,208
Furniture and equipment	77,879,853	3,202,408	(508,440)	80,573,821
Total capital assets being depreciated	1,212,951,217	15,458,315	(508,440)	1,227,901,092
Total capital assets	1,335,672,179	57,185,591	(13,930,163)	1,378,927,607
Accumulated depreciation				
Land improvements	(83,572,263)	(4,083,592)	-	(87,655,855)
Buildings and improvements	(269,600,573)	(21,551,274)	-	(291,151,847)
Furniture and equipment	(40,064,387)	(3,921,367)	508,440	(43,477,314)
Total accumulated depreciation	(393,237,223)	(29,556,233)	508,440	(422,285,016)
Governmental activities capital assets, net	$ 942,434,956	$ 27,629,358	$ (13,421,723)	$ 956,642,591

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	$ 17,699,363
School site administration	1,812,873
All other pupil services	4,012,611
Ancillary services	2,822,622
Community services	744,804
All other administration	1,219,215
Plant services	1,244,745
Total depreciation expenses governmental activities	$ 29,556,233

Note 5 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2020, between major and non-major governmental funds, and internal service funds are as follows:

Funds	Due from Other Funds	Due to Other Funds
Major Governmental Funds		
General	$ 13,670	$ 3,232,774
County School Facilities	1,617,904	370,552
Non-Major Governmental Funds		
Charter Schools	657,721	22,769
Adult Education	76,478	-
Child Development	-	453,750
Cafeteria	22,769	141,106
Deferred Maintenance	56,450	-
Building	370,552	1,547,106
Capital Facilities	230,090	-
Special Reserve Fund for Capital Outlay Projects	251,849	-
Proprietary Funds		
Internal Service-Self Insurance	2,470,574	-
Total	$ 5,768,057	$ 5,768,057

All balances resulted from the time lag between that date (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2020, consisted of the following:

The General Fund transferred to the Deferred Maintenance Non-Major Governmental Fund for future repairs and maintenance projects.	$ 2,900,000
The General Fund transferred to the Building Non-Major Governmental Fund for the COPs debt service payment.	1,726,100
The General Fund transferred to the Building Non-Major Governmental Fund for Prop 51 holding.	1,455,128
The General Fund transferred to the Special Reserve Capital Outlay Non-Major Governmental Fund for districtwide furniture refresh.	500,000
The General Fund transferred to the Adult Education Non-Major Governmental Fund for the District's Adult Education contribution.	846,880
The General Fund transferred to the County School Facilities Non-Major Governmental Fund for a LCAP transfer to cover Pinedale construction costs.	500,000
The General Fund transferred to the Special Reserve Capital Outlay Non-Major Governmental Fund for the annual RCA transfer.	275,000
The General Fund transferred to the Special Reserve Capital Outlay Non-Major Governmental Fund for mandated safety standards costs.	1,700,000
The Capital Facilities Non-Major Governmental Fund transferred to the General Fund for the three percent administrative fee.	336,000
The Capital Facilities Non-Major Governmental Fund transferred to the County School Facilities Non-Major Governmental Fund for developer fees for the Shields and Locan site funding.	11,500,000
The County School Facilities Non-Major Governmental Fund transferred to the Building Non-Major Governmental Fund to cover capital project costs.	
The Child Development Non-Major Governmental Fund transferred to the Special Reserve Capital Outlay Non-Major Governmental Fund for portables at various sites.	614,848
The Special Reserve Capital Outlay Non-Major Governmental Fund transferred to the Deferred Maintenance Non-Major Governmental Fund for maintenance projects.	1,100,000
The Building Non-Major Governmental Fund transferred to the General Fund to cover Certificate of Participation project costs.	1,039,311
The Building Non-Major Governmental Fund transferred to the County School Facilities Fund for the Districts portion of the CTE project.	1,243,807
The Bond Interest and Redemption Fund transferred to the General Fund due to the closing of fully matured bond issuance.	9,540
The Debt Service Non-Major Governmental Fund transferred to the Building Non-Major Governmental Fund for the COPs debt service payment.	1,039,311
Total	$ 26,785,925

Note 6 - Prepaid Expenditures (Expenses)

Prepaid expenditures (expenses) at June 30, 2020, consist of the following:

	General Fund
Electronic student curriculum database subscription	$ 261,924

Note 7 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

	General Fund	County School Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds	Internal Service Fund	Total Governmental Activities	Fiduciary Funds
Vendor payables	$ 3,936,095	$ 1,473,035	$ 2,671,694	$ 8,080,824	$ 3,161,413	$ 11,242,237	$ 118,380
State LCFF apportionment	18,005,717	-	188,627	18,194,344	-	18,194,344	-
Salaries and benefits	273,873	-	-	273,873	-	273,873	-
Deferred payroll	29,114,355	-	-	29,114,355	-	29,114,355	-
Total	$ 51,330,040	$ 1,473,035	$ 2,860,321	$ 55,663,396	$ 3,161,413	$ 58,824,809	$ 118,380

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2020, consists of the following:

	General Fund
Federal financial assistance	$ 93,523
State categorical aid	932,715
Other local	5,480
Total	$ 1,031,718

Note 9 - Long-Term Liabilities Other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Long-Term Liabilities					
General obligation bonds	$ 467,700,125	$ 34,278,166	$ (49,880,000)	$ 452,098,291	$ 36,095,000
Certificates of participation	3,073,005	-	(1,535,000)	1,538,005	585,058
Unamortized debt premiums	9,242,048	773,811	(1,130,385)	8,885,474	-
Unamortized debt discounts	(466,269)	(86,250)	29,332	(523,187)	-
Capital leases	2,203,549	13,270,000	(1,605,661)	13,867,888	955,709
Compensated absences	2,913,852	559,811	-	3,473,663	-
Claims liability	32,895,320	76,499,042	(75,604,309)	33,790,053	-
Total	$ 517,561,630	$ 125,294,580	$ (129,726,023)	$ 513,130,187	$ 37,635,767

The General Obligation Bonds are paid by the Bond Interest and Redemption Fund with local tax revenue. The Certificates of Participation are paid by the Building Fund and Other Debt Service Fund. Payments on the capital leases and child development portables are made from General Fund, Building Fund and Child Development Fund. Payments on compensated absences are made from the fund which the related employee worked.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Fiscal Year Issued	Series	Fiscal Year of Final Maturity	Interest Rate	Original Issue	Bonds Outstanding July 1, 2019	Issued	Interest Accreted	Redeemed	Bonds Outstanding June 30, 2020	Due in One Year
2003	01B	2028	3.6-5.23%	$ 29,000,256	$ 13,121,982	$ -	$ -	$ (1,360,615)	$ 11,761,367	$ 1,306,620
Accreted interest on bonds					17,476,876	-	1,437,940	(1,664,385)	17,250,431	1,793,380
2005	04A	2030	3.8-6.15%	119,998,286	48,945,837	-	-	-	48,945,837	5,744,897
Accreted interest on bonds					57,187,494	-	5,773,405	-	62,960,899	6,685,103
2006	04B	2031	4.0-5.0%	48,001,060	13,847,060	-	-	-	13,847,060	-
Accreted interest on bonds					12,289,880	-	1,264,411	-	13,554,291	-
2012	12R	2022	2.0-5.0%	17,935,000	8,675,000	-	-	(4,120,000)	4,555,000	-
2013	12A	2038	1.0-5.5%	79,996,801	36,400,000	-	-	(6,155,000)	30,245,000	-
2014	12B	2039	2.0-6.12%	49,996,579	13,060,547	-	-	(9,830,000)	3,230,547	1,242,015
Accreted interest on bonds					1,324,933	-	269,457	-	1,594,390	612,985
2015	12C	2040	3.19-4.52%	64,995,505	56,285,504	-	-	(1,115,000)	55,170,504	-
Accreted interest on bonds					2,465,749	-	563,511	-	3,029,260	-
2016	12D	2041	3.37-5.0%	103,007,034	94,917,034	-	-	(8,095,000)	86,822,034	1,575,000
Accreted interest on bonds					2,604,299	-	737,232	-	3,341,531	-
2017	16R	2022	2.0-5.0%	30,510,000	27,110,000	-	-	(14,505,000)	12,605,000	10,055,000
2017	17R	2036	3.18-5.0%	43,121,677	40,256,677	-	-	(545,000)	39,711,677	640,000
Accreted interest on bonds					1,021,253	-	602,210	-	1,623,463	-
2018	18R	2039	2.694-4.357%	20,710,000	20,710,000	-	-	(2,490,000)	18,220,000	1,170,000
2020	19R	2038	1.786-3.257%	23,630,000	-	23,630,000	-	-	23,630,000	5,270,000
Total					$ 467,700,125	$ 23,630,000	$ 10,648,166	$ (49,880,000)	$ 452,098,291	$ 36,095,000

Debt Service Requirements to Maturity

The capital appreciation bonds mature as follows:

Bonds Maturing Fiscal Year	Initial Bond Value	Accreted Interest	Accreted Obligation	Unaccreted Interest	Maturity Value
2021	$ 8,293,532	$ 9,091,468	$ 17,385,000	$ -	$ 17,385,000
2022	1,863,928	2,069,190	3,933,118	206,882	4,140,000
2023	7,581,016	8,981,025	16,562,041	1,782,959	18,345,000
2024	8,699,258	9,299,912	17,999,170	2,925,830	20,925,000
2025	8,052,673	9,030,483	17,083,156	3,796,844	20,880,000
2026-2030	44,698,749	52,573,994	97,272,743	43,477,257	140,750,000
2031-2035	32,075,206	11,029,532	43,104,738	27,365,262	70,470,000
2036-2037	7,189,664	1,278,661	8,468,325	7,496,675	15,965,000
Total	$ 118,454,026	$ 103,354,265	$ 221,808,291	$ 87,051,709	$ 308,860,000

The current interest bonds mature as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2021	$ 18,710,000	$ 8,936,991	$ 27,646,991
2022	13,845,000	8,309,023	22,154,023
2023	6,310,000	7,879,645	14,189,645
2024	1,760,000	7,636,906	9,396,906
2025	1,450,000	7,528,962	8,978,962
2026-2030	14,225,000	36,309,393	50,534,393
2031-2035	31,840,000	30,800,469	62,640,469
2036-2040	109,005,000	20,510,102	129,515,102
2041	33,145,000	1,325,800	34,470,800
Total	$ 230,290,000	$ 129,237,291	$ 359,527,291

Certificates of Participation

2010 Certificates of Participation

In June 2010, the Central Valley Support Services JPA issued 2010 Certificates of Participation and entered into a lease agreement to fund the debt with the District in the amount of $9,365,000 with interest rates ranging from 2.00 to 4.00 percent. As of June 30, 2020, the principal balance outstanding was $290,058.

2011 Certificates of Participation

In January 2011, the Central Valley Support Services JPA issued 2011 Certificates of Participation and entered into a lease agreement to fund the debt with the District in the amount of $4,450,000 with interest rates ranging from 2.00 to 4.50 percent. As of June 30, 2020, the principal balance outstanding was $1,247,947.

Debt Service Requirements to Maturity

Year Ending June 30,	Principal	Interest	Total
2021	$ 585,058	$ 144,013	$ 729,071
2022	310,000	103,188	413,188
2023	330,000	86,775	416,775
2024	312,947	69,056	382,003
Total	$ 1,538,005	$ 403,032	$ 1,941,037

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2020, amounted to $3,473,663.

Capital Leases

The District has entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. During the current fiscal year, the District entered into computer refresh leases as well as a lease-back agreement with the Central Valley Support Services JPA. The lease agreement was entered into with the JPA to provide funds for construction and modernization projects within the District and to provide the JPA with the source of funds to make the required debt service payments on the JPA's $11,755,000 2020 Certificates of Participation issuance.

The District's liability on lease agreements with options to purchase is summarized below:

Balance, July 1, 2019	$ 2,203,549
Additions	13,270,000
Payments	(1,605,661)
Balance, July 1, 2020	$ 13,867,888

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2021	$ 1,423,328
2022	986,770
2023	575,200
2024	2,065,200
2025	2,060,600
2026-2030	10,129,800
Total	17,240,898
Less amount representing interest	(3,373,010)
Present value of minimum lease payments	$ 13,867,888

Child Development Portables

The District financed the purchase of Child Development Portables through the California Department of Education's (CDE) Child Care Facilities Revolving Fund. The agreement with the CDE includes a zero percent interest rate for the portable classrooms. During the term of the repayment, the title to the facilities shall be in the name of the State of California. Title shall pass to the District after repayment of all funds. The District bears all responsibility of maintaining the facilities and keeping the facilities free and clear of any levies, liens and encumbrances.

The loans mature in 2027 and the payments are as follows:

Year Ending June 30,	Lease Payment
2021	$ 126,000
2022	63,000
2023	63,000
2024	63,000
2025	63,000
2026-2027	126,000
Total	$ 504,000

Note 10 - Net Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2020, the District reported net OPEB liability, deferred outflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Outflows of Resources	OPEB Expense
Retiree Health Plan	$ 422,133,490	$ 66,972,451	$ 32,636,367
Medicare Premium Payment (MPP) Program	2,344,110	-	(37,077)
Total	$ 424,477,600	$ 66,972,451	$ 32,599,290

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

At July 1, 2018, the valuation date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	1,136
Active employees	3,545
Total	4,681

Benefits Provided

Benefits provided. The Plan provides lifetime postemployment benefits to eligible certificated and classified retirees and their spouses. To qualify, employees hired prior to August 31, 2007, must have 15 benefited service years with the District and attained the age of 55. Employees hired after September 1, 2007, must have 30 benefited service years with the District and attained the age of 55. Dental and vision benefits are provided for five years, but not beyond age 65. The District's governing board has the authority to establish and amend the benefits terms as contained within the negotiated labor agreements.

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District. For measurement period of June 30, 2020, the District paid $8,063,788 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of $422,133,490 was measured as of June 30, 2020, and was determined by applying updated procedures to the financial reporting actuarial valuation as of July 1, 2019, and rolling forward the total OPEB liability to June 30, 2020.

Actuarial Assumptions

The following assumptions were applied to all periods included in the measurement as of June 30, 2020, unless otherwise specified:

Actuarial cost method	Entry age, level percent of pay
Salary increases	3.00 percent
Inflation rate	3.00 percent
Healthcare cost trend rate	5.40 percent for 2020; 5.10 percent for 2021; 4.90 percent for 2002 and later

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Discount rate. GASB 75 requires a discount rate that reflects the following:
a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

Actuarial assumptions used in the July 1, 2018 valuation were based on a review of plan experience during the period July 1, 2016 to June 30, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2019	$ 357,120,975
Service cost	12,130,038
Interest	11,432,331
Changes of assumptions or other inputs	49,513,934
Benefit payments	(8,063,788)
Net change in total OPEB liability	65,012,515
Balance, June 30, 2020	$ 422,133,490

Changes in Benefit Terms - There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions - The discount rate was changed from 3.13 percent to 3.00 percent since last study and the beginning health care cost trend rate changed from 5.70 percent to 5.40 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Total OPEB Liability
1% decrease (2.00%)	$ 512,175,793
Current discount rate (3.00%)	422,133,490
1% increase (4.00%)	352,026,765

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (4.40%)	$ 339,084,739
Current healthcare cost trend rate (5.40%)	422,133,490
1% increase (6.40%)	533,413,382

OPEB Expense and Deferred Outflows of Resources related to OPEB

At June 30,2020, the District reported deferred outflows of resources totaling $66,972,451 for changes in assumptions and other inputs. The deferred outflows of resources related to changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2021	$ 9,073,998
2022	9,073,998
2023	9,073,998
2024	9,073,998
2025	9,073,998
Thereafter	21,602,461
Total	$ 66,972,451

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB)Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District benefit payments. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

Net OPEB Liability and OPEB Expense

At June 30, 2020, the District reported a liability of $2,344,110 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, respectively, was 0.6295 percent and 0.6221 percent, resulting in a net increase in the proportionate share of 0.0074 percent.

For the year ended June 30, 2020, the District recognized OPEB expense of $(37,077).

Actuarial Methods and Assumptions

The June 30, 2019 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total OPEB liability to June 30, 2019, using the assumptions listed in the following table:

Measurement Date	June 30, 2019	June 30, 2018
Valuation Date	June 30, 2018	June 30, 2017
Experience Study	July 1, 2010 through June 30, 2015	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.50%	3.87%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2018, CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP 2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 380 or an average of 0.23 percent of the potentially eligible population (165,422).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2019, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2019, is 3.50 percent. As the MPP Program is funded on a pay-as-you-go basis as previously noted, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.50 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2019, was applied to all periods of projected benefit payments to measure the total OPEB liability. The discount rate decreased 0.37 percent from 3.87 percent as of June 30, 2018.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (2.50%)	$ 2,557,961
Current discount rate (3.50%)	2,344,110
1% increase (4.50%)	2,147,486

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the current Medicare costs trend rates, as well as what the net OPEB liability would be if it were calculated using Medicare costs trend rates that are one percent lower or higher than the current rates:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 2,197,132
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	2,344,110
1% increase (4.7% Part A and 5.1% Part B)	2,637,695

Note 11 - Fund Balances

Fund balances are composed of the following elements:

	General Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 144,000	$ -	$ -	$ 3,500	$ 147,500
Stores inventories	1,939,527	-	-	705,483	2,645,010
Prepaid expenditures	261,924	-	-	-	261,924
Total nonspendable	2,345,451	-	-	708,983	3,054,434
Restricted					
Legally restricted programs	6,625,290	-	-	4,399	6,629,689
Food service	-	-	-	6,652,253	6,652,253
Childcare programs	-	-	-	135,382	135,382
Capital projects	-	35,758,616	-	34,935,768	70,694,384
Debt services	-	-	47,524,715	81,326	47,606,041
Total restricted	6,625,290	35,758,616	47,524,715	41,809,128	131,717,749
Committed					
Adult education program	-	-	-	3,848,221	3,848,221
Deferred maintenance program	-	-	-	68,963	68,963
Total committed	-	-	-	3,917,184	3,917,184
Assigned					
Textbook reserve	5,756,916	-	-	-	5,756,916
Site/department carryovers	3,690,158	-	-	-	3,690,158
Grants	607,617	-	-	-	607,617
Student computer refresh	4,195,227	-	-	-	4,195,227
Fair market value adjustment	3,373,928	-	-	-	3,373,928
SPED Citi-Kids	1,401,197	-	-	-	1,401,197
LCAP carryover	3,462,704	-	-	-	3,462,704
Childcare programs future growth	-	-	-	- 648,923	648,923
Charter school future program growth	-	-	-	- 211,284	211,284
Capital projects/maintenance	-	-	-	8,601,344	8,601,344
Total assigned	22,487,747	-	-	9,461,551	31,949,298
Unassigned					
Reserve for economic uncertainties	99,623,391	-	-	-	99,623,391
Total	$ 131,081,879	$ 35,758,616	$ 47,524,715	$ 55,896,846	$ 270,262,056

Note 12 - Risk Management

Workers' Compensation, Short-Term Disability, and Employee Medical Benefits

The District is self-insured for workers' compensation, short-term disability, health, vision and dental programs. The District accounts for and finances its uninsured risks of loss in the Self Insurance Fund. The District provides coverage for up to a maximum of $350,000 for each workers' compensation claim and up to $700,000 for each health insurance claim. The District purchases commercial insurance for claims in excess of coverage provided by the General Fund and Self Insurance Fund and for all other risks of loss.

All funds of the District, which reflect salary costs, participate in the program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of $12,169,328 reported in the Self Insurance Fund at June 30, 2020, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This amount also consists of a reserved for health and welfare claims based on an actuary study of estimated losses.

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2020, the District contracted with the Schools Excess Liability Fund (SELF) and the Alliance of Schools for Cooperative Insurance Programs (ASCIP) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Claims Liabilities

The District records an estimated liability for indemnity torts and other claims against the District. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

Unpaid Claims Liabilities

The District establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2018 to June 30, 2020:

	Health Care	Workers' Compensation	Stop-Loss, Disability and Property	Total
Liability Balance, July 1, 2018	$ 10,786,563	$ 13,568,913	$ 5,042,063	$ 29,397,539
Claims and changes in estimates	72,810,830	4,450,551	725,162	77,986,543
Claims payments	(72,021,062)	(2,042,977)	(424,723)	(74,488,762)
Liability Balance, June 30, 2019	11,576,331	15,976,487	5,342,502	32,895,320
Claims and changes in estimates	73,980,064	1,788,387	730,591	76,499,042
Claims payments	(73,387,067)	(1,788,387)	(428,855)	(75,604,309)
Liability Balance, June 30, 2020	$ 12,169,328	$ 15,976,487	$ 5,644,238	$ 33,790,053

Note 13 - Employee Retirement Systems

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2020, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	$ 321,370,136	$ 92,713,492	$ 25,997,625	$ 41,486,107
CalPERS	168,151,626	41,142,011	1,559,638	30,376,110
Total	$ 489,521,762	$ 133,855,503	$ 27,557,263	$ 71,862,217

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the state is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2020, are summarized as follows:

	STRP Defined Benefit Program	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required state contribution rate	10.328%	10.328%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the District's total contributions were $33,819,487.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	$ 321,370,136
State's proportionate share of the net pension liability	175,328,864
Total	$ 496,699,000

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, respectively, was 0.3558 percent and 0.3466 percent, resulting in a net increase in the proportionate share of 0.0092 percent.

For the year ended June 30, 2020, the District recognized pension expense of $41,486,107. In addition, the District recognized pension expense and revenue of $26,110,249 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 33,819,487	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	17,436,418	4,562,512
Differences between projected and actual earnings on pension plan investments	-	12,379,276
Differences between expected and actual experience in the measurement of the total pension liability	811,289	9,055,837
Changes of assumptions	40,646,298	-
Total	$ 92,713,492	$ 25,997,625

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred inflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Inflows of Resources
2021	$ (1,248,662)
2022	(9,827,688)
2023	(2,040,380)
2024	737,454
Total	$ (12,379,276)

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	$ 11,376,774
2022	11,376,775
2023	9,520,778
2024	11,654,824
2025	1,168,789
Thereafter	177,716
Total	$ 45,275,656

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.8%
Fixed income	12%	1.3%
Real estate	13%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	9%	1.8%
Inflation sensitive	4%	-3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 478,546,734
Current discount rate (7.10%)	321,370,136
1% increase (8.10%)	191,040,803

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2020, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	19.721%	19.721%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the total District contributions were $16,573,262.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $168,151,626. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, respectively, was 0.5770 percent and 0.5610 percent, resulting in a net increase in the proportionate share of 0.0160 percent.

For the year ended June 30, 2020, the District recognized pension expense of $30,376,110. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 16,573,262	$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	4,349,652	-
Differences between projected and actual earnings on pension plan investments	-	1,559,638
Differences between expected and actual experience in the measurement of the total pension liability	12,214,558	-
Changes of assumptions	8,004,539	-
Total	$ 41,142,011	$ 1,559,638

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred inflows of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Inflows of Resources
2021	$ 1,539,534
2022	(3,075,173)
2023	(466,004)
2024	442,005
Total	$ (1,559,638)

The deferred outflows of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2021	$ 14,708,102
2022	6,740,900
2023	2,836,135
2024	283,612
Total	$ 24,568,749

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 242,379,514
Current discount rate (7.15%)	168,151,626
1% increase (8.15%)	106,574,468

Accumulation Program for Part-Time and Limited-Service Employees Plan (APPLE)

Plan Description

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use the Accumulation Program for Part-time and Limited-service Employees (APPLE) Plan as its alternative plan.

The APPLE program applies to all part-time employees working less than 20 hours per week and are not eligible for CalPERS or CalSTRS retirement programs. This includes all part-time classified and certificated employees working less than 20 hours, as well as substitute employees.

Employees are eligible for plan benefits upon termination with the District and have the option of rolling over their benefit into an individual retirement account or receiving a direct payment. Those with account balances of less than $3,500 and who do not indicate which alternative they choose will receive a direct distribution from the plan.

Funding Policy

Participants in APPLE are required to contribute 3.75 percent of gross salary to APPLE. The District is required to contribute 3.75 percent of gross salary expenditures to APPLE. The District's contributions to APPLE for the fiscal year ending June 30, 2020, 2019, 2018 were $701,197, $749,547, and $758,111, respectively.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $18,313,664 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019–2020 contribution on-behalf of school employers of $1.1 billion for CalSTRS. A proportionate share of these contributions totaling $6,143,020 have been recorded in these financial statements.

The total on behalf contributions have been included in the budgeted and actual amounts on the Budgetary Comparison Schedule - General Fund and have also been included in the calculation of the Districts available reserves.

Note 14 - Commitments and Contingencies

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2020.

Operating Leases

The District has entered into various operating leases for equipment and facilities use with lease terms in excess of one year. All of these agreements contain purchase options. All agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to the expiration date.

During the current fiscal year the District entered into a rental agreement with the Central Valley Support Services JPA to fund the JPA's repayment of their Certificates of Participation issuance. The funded project was for the District's Campus Catering facility. The required rental payments are as follows:

Year Ending June 30,	Lease Payment
2021	$ 393,600
2022	395,600
2023	397,200
2024	393,400
2025	399,400
2026-2030	2,078,800
2031-2035	2,183,200
2036	457,600
Total	6,698,800
Less amount representing interest	(1,858,800)
Present value of minimum lease payments	$ 4,840,000

Construction Commitments

As of June 30, 2020, the District had the following commitments with respect to the unfinished capital projects:

Location	Description	Remaining Construction Commitment	Expected Date of Completion
Clovis High School	CTE construction	$ 612,521	September 2020
Clovis North High School	CTE construction	589,728	September 2020
Clovis West High School	CTE construction	1,669,151	September 2020
Young Elementary School	New School	1,298,220	August 2020
Clovis High School	Pool deck rehab	545,000	September 2020
Clovis High School	Gas line repair	222,901	August 2020
Dry Creek Elementary	Roof repair	287,634	August 2020
Clovis High School and Fancher Creek Elementary	Roof repair	374,925	September 2020
Total		$ 5,600,080	

Note 15 - Participation in Joint Powers Authorities

The District is a member of the Schools Excess Liability Fund (SELF), Alliance of Schools for Cooperative Insurance Programs (ASCIP), Central Valley Support Services (CVSS), Education Technology, and the Center for Advanced Research & Technology (CART) joint powers authorities (JPAs). The District pays an annual premium to ASCIP for its property liability coverage. Payments for services received from JPAs are paid to CVSS and CART. The relationships between the District and the JPAs are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are generally available from the respective entities.

One designee for each district votes for a 16 member Board of Directors for SELF.

During the year ended June 30, 2020, the District made a payment of $723,416 to SELF for liability insurance coverage.

Eleven voting members of the ASCIP Executive Committee appointed by the member districts.

During the year ended June 30, 2020, the District made payments of $2,905,042 to ASCIP for property and liability insurance coverage and $1,788,387 for workers' compensation insurance coverage.

One designee and one alternate from each founding member district votes for a five member Board of Directors for the Education Technology JPA.

During the year ended June 30, 2020, the District made no payments to the Education Technology JPA.

The Governing Board of CVSS shall consist of a District representative appointed by the Superintendent and a member of the operations staff of each educational agency holding membership in CVSS selected by that agency, and the Treasurer of CVSS.

The Governing Board of CART is comprised of representatives from the member public educational agencies and related associations.

During the year ended June 30, 2020, the District made payments of $1,002,155 to CART for the financing and operation of a joint technical center for high school age students.

Note 16 - Subsequent Event

World-Wide Coronavirus Pandemic

Subsequent to year-end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District’s financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
Revenues				
Local Control Funding Formula	$ 392,329,252	$ 392,892,145	$ 392,892,145	$ -
Federal sources	16,813,782	18,521,320	18,521,320	-
Other State sources	57,094,914	71,922,755	71,922,755	-
Other local sources	14,377,799	22,678,169	22,678,169	-
Total revenues	480,615,747	506,014,389	506,014,389	-
Expenditures				
Current				
Certificated salaries	196,798,382	198,196,674	198,196,674	-
Classified salaries	81,392,199	82,898,581	82,898,581	-
Employee benefits	134,123,597	143,434,190	143,434,190	-
Books and supplies	32,377,780	20,701,465	20,701,465	-
Services and operating expenditures	32,443,966	33,066,373	33,066,373	-
Other outgo	(455,726)	(518,650)	(518,650)	-
Capital outlay	371,668	3,736,845	3,736,845	-
Debt service				
Debt service - principal	1,471,890	1,479,661	1,479,661	-
Debt service - interest and other	51,498	43,727	43,727	-
Total expenditures	478,575,254	483,038,866	483,038,866	-
Excess (Deficiency) of Revenues Over Expenditures	2,040,493	22,975,523	22,975,523	-
Other Financing Sources (Uses)				
Transfers in	531,000	1,384,851	1,384,851	-
Proceeds from capital lease	1,200,000	1,200,000	1,200,000	-
Transfers out	(7,847,980)	(9,903,108)	(9,903,108)	-
Net financing sources (uses)	(6,116,980)	(7,318,257)	(7,318,257)	-
Net Change in Fund Balances	(4,076,487)	15,657,266	15,657,266	-
Fund Balance - Beginning	115,424,613	115,424,613	115,424,613	-
Fund Balance - Ending	$ 111,348,126	$ 131,081,879	$ 131,081,879	$ -

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 12,130,038	$ 10,492,371	$ 10,186,768
Interest	11,432,331	11,229,316	10,741,686
Changes of assumptions	49,513,934	29,849,079	-
Benefit payments	(8,063,788)	(9,221,780)	(5,725,349)
Net change in total OPEB liability	65,012,515	42,348,986	15,203,105
Total OPEB Liability - Beginning	357,120,975	314,771,989	299,568,884
Total OPEB Liability - Ending	$ 422,133,490	$ 357,120,975	$ 314,771,989
Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Total OPEB Liability as a Percentage of Covered Payroll	N/A[1]	N/A[1]	N/A[1]
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018

[1] The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay. Therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

Year ended June 30,	2020	2019	2018
Proportion of the net OPEB liability	0.6295%	0.6221%	0.6108%
Proportionate share of the net OPEB liability	$ 2,344,110	$2,381,187	$2,569,769
Covered payroll	N/A[1]	N/A[1]	N/A[1]
Proportionate share of the net OPEB liability as a percentage of it's covered payroll	N/A[1]	N/A[1]	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	-0.81%	-0.40%	0.01%
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note : In the future, as data becomes available, ten years of information will be presented.

	2020	2019	2018	2017	2016	2015
CalSTRS						
Proportion of the net pension liability	0.3558%	0.3466%	0.3374%	0.3363%	0.3507%	0.3264%
Proportionate share of the net pension liability	$ 321,370,136	318,541,616	312,018,523	271,983,817	236,088,495	190,731,688
State's proportionate share of the net pension liability	175,328,864	182,379,973	184,587,522	154,835,535	124,864,788	115,172,028
Total	$ 496,699,000	$ 500,921,589	$ 496,606,045	$ 426,819,352	$ 360,953,283	$ 305,903,716
Covered payroll	$ 192,616,677	$ 188,468,233	$ 182,374,682	$ 171,698,993	$ 163,040,732	$ 150,043,685
Proportionate share of the net pension liability as a percentage of its covered payroll	166.84%	169.02%	171.09%	158.41%	144.80%	127.12%
Plan fiduciary net position as a percentage of the total pension liability	73%	71%	69%	70%	74%	77%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalPERS						
Proportion of the net pension liability	0.5770%	0.5610%	0.5487%	0.5366%	0.5465%	0.5259%
Proportionate share of the net pension liability	$ 168,151,626	$ 149,586,205	$ 130,998,817	$ 105,981,422	$ 80,561,650	$ 59,703,034
Covered payroll	$ 80,165,104	$ 74,208,963	$ 70,034,469	$ 64,365,730	$ 60,511,656	$ 55,215,032
Proportionate share of the net pension liability as a percentage of its covered payroll	209.76%	201.57%	187.05%	164.66%	133.13%	108.13%
Plan fiduciary net position as a percentage of the total pension liability	70%	71%	72%	74%	79%	83%
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Note : In the future, as data becomes available, ten years of information will be presented.

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	$ 33,819,487	$ 31,357,995	$ 27,195,966	$ 22,942,735	$ 18,423,302	$ 14,478,017
Less contributions in relation to the contractually required contribution	33,819,487	31,357,995	27,195,966	22,942,735	18,423,302	14,478,017
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 197,774,778	$ 192,616,677	$ 188,468,233	$ 182,374,682	$ 171,698,993	$ 163,040,732
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	$ 16,573,262	$ 14,479,421	$ 11,525,394	$ 9,726,387	$ 7,625,408	$ 7,122,827
Less contributions in relation to the contractually required contribution	16,573,262	14,479,421	11,525,394	9,726,387	7,625,408	7,122,827
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 84,038,649	$ 80,165,104	$ 74,208,963	$ 70,034,469	$ 64,365,730	$ 60,511,656
Contributions as a percentage of covered payroll	19.721%	18.0620%	15.5310%	13.8880%	11.8470%	11.7710%

Note : In the future, as data becomes available, ten years of information will be presented.

Note 1 - Purpose of Schedules

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Changes in the District's OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the OPEB liability, including beginning and ending balances, and the OPEB liability. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The discount rate was changed from 3.13 percent to 3.00 percent since last study and the beginning health care cost trend rate changed from 5.70 percent to 5.40 percent.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB Liability - MPP Program and the plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in the benefit terms since the previous valuation.
- *Changes of Assumptions* – The plan rate of investment return assumption was changed from 3.87 percent to 3.50 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Indian Education - Grants to Loacal Educational Agencies	84.060	NA	$ 131,581
Federal Pell Grant Program	84.063	NA	400,526
School Climate Tranformation	84.184G	NA	562,406
Passed Through California Department of Education (CDE)			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	7,003,544
Special Education Grants to States - Mental Health	84.027	14468	484,526
Special Education Grants to States - Private School ISP	84.027	10115	5,332
Special Education Preschool Grants	84.173	13430	116,404
Special Education Preschool Grants - Alternate Dispute Resolution	84.173	13007	14,601
Special Education Preschool Grants - Preschool Staff Development	84.173	13431	2,029
Total Special Education Cluster			7,626,436
Adult Education - Basic Grants to States	84.002	14508	141,335
Adult Education - Basic Grants to States	84.002	13978	384,450
Adult Education - Basic Grants to States	84.002	14109	27,600
Subtotal			553,385
Migrant Education State Grant Program	84.011	14326	88,136

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Title I Grants to Local Educational Agencies	84.010	14329	7,187,913
ESEA: ESSA School Impovement (CSI) Funding for LEAs	84.010	15438	196,836
Supporting Effective Instruction State Grants - Teacher Quality	84.367	14341	933,591
English Language Acquisition State Grants - IEP	84.365	15146	77,928
English Language Acquisition State Grants - LEP	84.365	14346	252,491
Student Support and Academic Enrichment Program	84.424	15396	798,335
Twenty-First Century Community Learning Centers	84.287	14349	43,990
Career and Technical Education - Basic Grants to States, Secondary	84.048	14894	229,837
Career and Technical Education - Basic Grants to States, Rural Community Equipment	84.048	15295	139,899
Special Education-Grants for Infants and Families	84.181	23761	81,623
Temporary Emergency Impact Aid for Displaced Students	84.938	15432	7,969
Rehabilitation Services Vocational Rehabilitation Grants to States - Workability II	84.126	10006	156,608
Total U.S. Department of Education			19,469,490
U.S. Department of Health and Human Services Human Services			
Passed Through California Department of Education (CDE)			
Disaster Grants - Public Assistance	93.778	10013	76,613
U.S. Department of Defense			
ROTC Language and Culture Training Grants	12.357	NA	69,026

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	4,911,608
School Breakfast Program - National School Breakfast	10.553	13525	34,982
National School Lunch Program - Meal Supplements	10.555	13396	117,908
School Breakfast Program - Especially Needy Breakfast	10.553	13526	2,409,902
National School Lunch Program - Summer Food Program	10.559	13004	2,434,758
National School Lunch Program - Commodity Supplemental Food	10.555	13391	1,095,487
Total Child Nutrition Cluster			11,004,645
Total U.S. Department of Agriculture			11,004,645
Total Expenditures of Federal Awards			$ 30,619,774

Organization

The Clovis Unified School District was established in 1960 and consists of an area comprising approximately 198 square miles. The District operates thirty-three elementary schools, five intermediate schools, five high schools, three alternative education schools, one adult school, the Clovis Online Charter School, and the Center for Advanced Research and Technology as a joint high school with Fresno Unified School District. There were no boundary changes during the year.

Governing Board

Member	Office	Term Expires
Christopher Casado	President	2020
Tiffany Stoker Madsen	Vice-President	2022
Susan K. Hatmaker	Clerk	2022
Steven G. Fogg	Member	2020
Ginny L. Hovsepian	Member	2020
Elizabeth Sandoval	Member	2022
Hugh Awtrey	Member	2020

Administration

Eimear O'Farrell, Ed.D.	Superintendent
Don Ulrich, Ed. D.	Deputy Superintendent
Michael Johnston	Associate Superintendent, Administrative Services
Barry Jager	Associate Superintendent, Human Resources and Employee Relations
Norm Anderson	Associate Superintendent, School Leadership
Susan Rutledge	Assistant Superintendent, Business Services
Denise Cariaga	Director of Budget & Finance

	Second Period Report	Annual Report
Clovis Unified School District		
Regular ADA		
Transitional kindergarten through third	12,756.83	12,756.83
Fourth through sixth	9,450.57	9,450.57
Seventh and eighth	6,707.59	6,707.59
Ninth through twelfth	12,527.05	12,527.05
Total regular ADA	41,442.04	41,442.04
Extended Year Special Education		
Transitional kindergarten through third	15.28	15.28
Fourth through sixth	7.89	7.89
Seventh and eighth	4.63	4.63
Ninth through twelfth	12.11	12.11
Total extended year special education	39.91	39.91
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	2.40	2.40
Fourth through sixth	3.85	3.85
Seventh and eighth	5.48	5.48
Ninth through twelfth	7.96	7.96
Total special education, nonpublic, nonsectarian schools	19.69	19.69
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Fourth through sixth	0.37	0.37
Seventh and eighth	0.73	0.73
Ninth through twelfth	0.34	0.34
Total extended year special education, nonpublic, nonsectarian schools	1.44	1.44
Community Day School		
Fourth through sixth	2.82	2.77
Seventh and eighth	13.74	12.85
Ninth through twelfth	40.19	37.48
Total community day school	56.75	53.10
Total ADA	41,558.39	41,554.74

	Second Period Report	Annual Report
Clovis Online Charter School		
Regular ADA, Non-Classroom Based		
Seventh and eighth	75.73	75.73
Ninth through twelfth	392.30	392.30
Total regular ADA	468.03	468.03

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	36,045	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		56,475	180	N/A	Complied
Grade 2		56,475	180	N/A	Complied
Grade 3		56,475	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		56,475	180	N/A	Complied
Grade 5		56,475	180	N/A	Complied
Grade 6		56,475	180	N/A	Complied
Grade 7		62,769	180	N/A	Complied
Grade 8		62,749	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		65,218	180	N/A	Complied
Grade 10		65,242	180	N/A	Complied
Grade 11		65,242	180	N/A	Complied
Grade 12		65,242	180	N/A	Complied

The following adjustment was made to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2020.

	Special Reserve Fund for Capital Outlay Projects
Fund Balance	
Balance, June 30, 2020, Unaudited Actuals	$ 2,939,151
Increase in	
Deposits and investments	12,528,811
Balance, June 30, 2020, Audited Financial Statements	$ 15,467,962

	(Budget) 2021 [1]	2020	2019	2018
General Fund				
Revenues	$ 468,478,047	$ 506,014,389	$ 502,764,929	$ 446,961,685
Other sources	531,000	2,584,851	3,729,339	2,875,483
Total Revenues and Other Sources	469,009,047	508,599,240	506,494,268	449,837,168
Expenditures	479,399,936	483,038,866	477,580,830	438,461,876
Other uses and transfers out	4,078,012	9,903,108	7,854,336	8,737,534
Total Expenditures and Other Uses	483,477,948	492,941,974	485,435,166	447,199,410
Increase/(Decrease) in Fund Balance	(14,468,901)	15,657,266	21,059,102	2,637,758
Ending Fund Balance	$ 116,612,978	$ 131,081,879	$ 115,424,613	$ 94,365,511
Available Reserves [2]	$ 86,410,507	$ 99,623,391	$92,721,804	$ 86,425,899
Available Reserves as a Percentage of Total Outgo	17.87%	20.21%	19.10%	19.30%
Long-Term Liabilities	Not Available	$ 1,427,129,549	$ 1,312,296,293	$ 1,261,608,097
K-12 Average Daily Attendance at P-2	41,754	41,558	41,166	41,005

The General Fund balance has increased by $36,716,368 over the past two years. The fiscal year 2020-2021 budget projects a decrease of $14,468,901 (11.0 percent). For a district this size, the State recommends available reserves of at least 3.0 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2020-2021 fiscal year. Total long-term obligations have increased by $152,992,641 over the past two years due to the issuance of bonds for facilities additions and improvements, and increases in the District’s net pension liability and other postemployment benefits obligations.

Average daily attendance has increased by 553 over the past two years. Additional growth of 196 ADA is anticipated during fiscal year 2020-2021.

[1] Budget 2020 is included for analytical purposes only and has not been subjected to audit.
[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the General Fund.

Name of Charter School and Charter Number	Included in Audit Report
Clovis Online School (Charter School Number 1006)	Yes

	Charter School Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Other Debt Service Fund	Total Non-Major Governmental Funds
Assets										
Deposits and investments	$ 4,491,208	$ 3,241,956	$ 1,284,765	$ 5,796,294	$ 576,843	$ 5,586,438	$17,853,179	$ 16,104,250	$ 76,865	$ 55,011,798
Receivables	942,953	764,267	44,393	1,620,975	5,604	16,545	129,848	9,661	4,461	3,538,707
Due from other funds	657,721	76,478	-	22,769	56,450	370,552	230,090	251,849	-	1,665,909
Stores inventories	-	32,737	-	672,747	-	-	-	-	-	705,484
Total assets	$ 6,091,882	$ 4,115,438	$ 1,329,158	$ 8,112,785	$ 638,897	$ 5,973,535	$18,213,117	$ 16,365,760	$ 81,326	$ 60,921,898
Liabilities and Fund Balances										
Liabilities										
Accounts payable	$ 191,237	$ 230,980	$ 91,103	$ 646,680	$ 569,934	$ 78,076	$ 154,513	$ 897,798	$ -	$ 2,860,321
Due to other funds	22,769	-	453,750	141,106	-	1,547,106	-	-	-	2,164,731
Total liabilities	214,006	230,980	544,853	787,786	569,934	1,625,182	154,513	897,798	-	5,025,052
Fund Balances										
Nonspendable	-	36,237	-	672,746	-	-	-	-	-	708,983
Restricted	4,399	-	135,382	6,652,253	-	4,348,353	18,058,604	12,528,811	81,326	41,809,128
Committed	-	3,848,221	-	-	68,963	-	-	-	-	3,917,184
Assigned	5,873,477	-	648,923	-	-	-	-	2,939,151	-	9,461,551
Total fund balances	5,877,876	3,884,458	784,305	7,324,999	68,963	4,348,353	18,058,604	15,467,962	81,326	55,896,846
Total liabilities and fund balances	$ 6,091,882	$ 4,115,438	$ 1,329,158	$ 8,112,785	$ 638,897	$ 5,973,535	$18,213,117	$ 16,365,760	$ 81,326	$ 60,921,898

	Charter School Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Other Debt Service Fund	Total Non-Major Governmental Funds
Revenues										
Local Control Funding Formula	$ 4,685,649	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,685,649
Federal sources	-	1,093,809	-	11,004,645	-	-	-	-	-	12,098,454
Other State sources	151,495	2,609,999	5,210,519	766,839	-	-	-	-	-	8,738,852
Other local sources	112,663	1,500,003	6,738,760	3,038,797	24,975	509,222	18,722,696	279,446	22,370	30,948,932
Total revenues	4,949,807	5,203,811	11,949,279	14,810,281	24,975	509,222	18,722,696	279,446	22,370	56,471,887
Expenditures										
Current										
Instruction	2,790,583	2,831,485	10,878,778	-	-	-	-	-	-	16,500,846
Instruction-related activities										
Supervision of instruction	1,503	500,732	1,676,993	-	-	-	-	-	-	2,179,228
Instructional library, media, and technology	84,538	189,638	-	-	-	-	-	-	-	274,176
School site administration	538,599	1,948,498	-	-	-	-	-	-	-	2,487,097
Pupil services										
Food services	-	-	-	14,951,525	-	-	-	-	-	14,951,525
All other pupil services	613,709	331,442	159,472	-	-	-	-	-	-	1,104,623
Administration										
All other administration	151,820	109,009	635,024	686,924	-	-	-	-	-	1,582,777
Plant services	44,944	266,608	171,479	-	1,906,440	328,618	1,210,780	1,108,590	-	5,037,459
Facility acquisition and construction	-	580,521	99,865	-	2,129,435	3,515,072	2,617,133	1,353,578	-	10,295,604
Debt service										
Principal	-	-	63,000	-	-	1,535,000	-	-	-	1,598,000
Interest and other	-	-	-	-	-	191,538	-	-	-	191,538
Total expenditures	4,225,696	6,757,933	13,684,611	15,638,449	4,035,875	5,570,228	3,827,913	2,462,168	-	56,202,873
Excess (Deficiency) of Revenues Over Expenditures	724,111	(1,554,122)	(1,735,332)	(828,168)	(4,010,900)	(5,061,006)	14,894,783	(2,182,722)	22,370	269,014
Other Financing Sources (Uses)										
Transfers in	-	846,880	-	-	4,000,000	4,220,539	-	3,089,848	-	12,157,267
Other sources	-	-	315,000	-	-	-	-	12,528,811	-	12,843,811
Transfers out	-	-	(614,848)	-	-	(2,283,118)	(11,836,000)	(1,100,000)	(1,039,311)	(16,873,277)
Net Financing Sources (Uses)	-	846,880	(299,848)	-	4,000,000	1,937,421	(11,836,000)	14,518,659	(1,039,311)	8,127,801
Net Change in Fund Balances	724,111	(707,242)	(2,035,180)	(828,168)	(10,900)	(3,123,585)	3,058,783	12,335,937	(1,016,941)	8,396,815
Fund Balance - Beginning	5,153,765	4,591,700	2,819,485	8,153,167	79,863	7,471,938	14,999,821	3,132,025	1,098,267	47,500,031
Fund Balance - Ending	$ 5,877,876	$ 3,884,458	$ 784,305	$ 7,324,999	$ 68,963	$ 4,348,353	$ 18,058,604	$ 15,467,962	$ 81,326	$ 55,896,846

	Warrant/ Pass-Through Fund	Associated Student Body Funds	Total
Assets			
Cash on hand and in banks	$ 271,457	$ 2,294,123	$ 2,565,580
Accounts receivable	3,307	-	3,307
Total assets	$ 274,764	$ 2,294,123	$ 2,568,887
Liabilities			
Accounts payable	$ 118,380	$ -	$ 118,380
Due to student groups/other agencies	156,384	2,294,123	2,450,507
Total due to student groups	156,384	2,294,123	2,450,507
Total liabilities	$ 274,764	$ 2,294,123	$ 2,568,887

	High Schools	Intermediate Schools	Elementary Schools	Total
Assets				
Cash on hand and in banks	$ 1,230,390	$ 299,367	$ 764,366	$ 2,294,123
Total assets	$ 1,230,390	$ 299,367	$ 764,366	$ 2,294,123
Liabilities				
Due to student groups				
Club accounts	$ 503,649	$ 65,748	$ -	$ 569,397
General ASB accounts	726,741	233,619	764,366	1,724,726
Total due to student groups	1,230,390	299,367	764,366	2,294,123
Total liabilities	$ 1,230,390	$ 299,367	$ 764,366	$ 2,294,123

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
High Schools				
Assets				
Cash on hand and in banks	$ 1,307,522	$ 3,373,588	$ (3,450,720)	$ 1,230,390
Liabilities				
Due to student groups				
Club accounts	$ 626,103	$ 725,521	$ (847,975)	$ 503,649
General ASB accounts	681,419	2,648,067	(2,602,745)	726,741
Total due to student groups	$ 1,307,522	$ 3,373,588	$ (3,450,720)	$ 1,230,390
Intermediate Schools				
Assets				
Cash on hand and in banks	$ 308,276	$ 563,432	$ (572,341)	$ 299,367
Liabilities				
Due to student groups				
Club accounts	$ 84,443	$ 152,616	$ (171,311)	$ 65,748
General ASB accounts	223,833	410,816	(401,030)	233,619
Total due to student groups	$ 308,276	$ 563,432	$ (572,341)	$ 299,367
Totals				
Assets				
Cash on hand and in banks	$ 1,615,798	$ 3,937,020	$ (4,023,061)	$ 1,529,757
Liabilities				
Due to student groups				
Club accounts	$ 710,546	$ 878,137	$ (1,019,286)	$ 569,397
General ASB accounts	905,252	3,058,883	(3,003,775)	960,360
Total due to student groups	$ 1,615,798	$ 3,937,020	$ (4,023,061)	$ 1,529,757

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Buchanan High School				
Assets				
Cash on hand and in banks	$ 250,393	$ 631,366	$ (656,218)	$ 225,541
Liabilities				
Due to student groups				
Club accounts	$ 108,269	$ 63,876	$ (96,720)	$ 75,425
General ASB accounts	142,124	567,490	(559,498)	150,116
Total due to student groups	$ 250,393	$ 631,366	$ (656,218)	$ 225,541
Clovis High School				
Assets				
Cash on hand and in banks	$ 335,902	$ 728,945	$ (645,584)	$ 419,263
Liabilities				
Due to student groups				
Club accounts	$ 165,257	$ 137,748	$ (133,711)	$ 169,294
General ASB accounts	170,645	591,197	(511,873)	249,969
Total due to student groups	$ 335,902	$ 728,945	$ (645,584)	$ 419,263
Clovis East High School				
Assets				
Cash on hand and in banks	$ 205,473	$ 418,594	$ (414,026)	$ 210,041
Liabilities				
Due to student groups				
Club accounts	$ 95,290	$ 128,157	$ (120,031)	$ 103,416
General ASB accounts	110,183	290,437	(293,995)	106,625
Total due to student groups	$ 205,473	$ 418,594	$ (414,026)	$ 210,041

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Clovis North High School				
Assets				
Cash on hand and in banks	$ 395,807	$ 1,152,657	$ (1,248,798)	$ 299,666
Liabilities				
Due to student groups				
Club accounts	$ 130,019	$ 320,900	$ (373,290)	$ 77,629
General ASB accounts	265,788	831,757	(875,508)	222,037
Total due to student groups	$ 395,807	$ 1,152,657	$ (1,248,798)	$ 299,666
Clovis West High School				
Assets				
Cash on hand and in banks	$ 98,849	$ 438,977	$ (481,402)	$ 56,424
Liabilities				
Due to student groups				
Club accounts	$ 127,268	$ 74,840	$ (124,223)	$ 77,885
General ASB accounts	(28,419)	364,137	(357,179)	(21,461)
Total due to student groups	$ 98,849	$ 438,977	$ (481,402)	$ 56,424
Gateway Continuation School				
Assets				
Cash on hand and in banks	$ 21,098	$ 3,049	$ (4,692)	$ 19,455
Liabilities				
Due to student groups				
General ASB accounts	$ 21,098	$ 3,049	$ (4,692)	$ 19,455
Totals				
Assets				
Cash on hand and in banks	$ 1,307,522	$ 3,373,588	$ (3,450,720)	$ 1,230,390
Liabilities				
Due to student groups				
Club accounts	$ 626,103	$ 725,521	$ (847,975)	$ 503,649
General ASB accounts	681,419	2,648,067	(2,602,745)	726,741
Total due to student groups	$ 1,307,522	$ 3,373,588	$ (3,450,720)	$ 1,230,390

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Alta Sierra Intermediate School				
Assets				
Cash on hand and in banks	$ 94,972	$ 155,947	$ (139,748)	$ 111,171
Liabilities				
Due to student groups				
Club accounts	$ 19,560	$ 7,359	$ (7,271)	$ 19,648
General ASB accounts	75,412	148,588	(132,477)	91,523
Total due to student groups	$ 94,972	$ 155,947	$ (139,748)	$ 111,171
C. Todd Clark Intermediate School				
Assets				
Cash on hand and in banks	$ 39,382	$ 135,646	$ (154,761)	$ 20,267
Liabilities				
Due to student groups				
Club accounts	$ 3,649	$ 51,162	$ (59,405)	$ (4,594)
General ASB accounts	35,733	84,484	(95,356)	24,861
Total due to student groups	$ 39,382	$ 135,646	$ (154,761)	$ 20,267
Kastner Intermediate School				
Assets				
Cash on hand and in banks	$ 100,255	$ 153,869	$ (161,148)	$ 92,976
Liabilities				
Due to student groups				
Club accounts	$ 41,101	$ 89,600	$ (99,612)	$ 31,089
General ASB accounts	59,154	64,269	(61,536)	61,887
Total due to student groups	$ 100,255	$ 153,869	$ (161,148)	$ 92,976

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Reyburn Intermediate School				
Assets				
Cash on hand and in banks	$ 73,667	$ 117,970	$ (116,684)	$ 74,953
Liabilities				
Due to student groups				
Club accounts	$ 20,133	$ 4,495	$ (5,023)	$ 19,605
General ASB accounts	53,534	113,475	(111,661)	55,348
Total due to student groups	$ 73,667	$ 117,970	$ (116,684)	$ 74,953
Totals				
Assets				
Cash on hand and in banks	$ 308,276	$ 563,432	$ (572,341)	$ 299,367
Liabilities				
Due to student groups				
Club accounts	$ 84,443	$ 152,616	$ (171,311)	$ 65,748
General ASB accounts	223,833	410,816	(401,030)	233,619
Total due to student groups	$ 308,276	$ 563,432	$ (572,341)	$ 299,367

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Elementary School				
Boris	$ 2,562	$ 55,796	$ (46,348)	$ 12,010
Bud Rank	6,297	106,055	(99,956)	12,396
Cedarwood	10,997	88,837	(74,407)	25,427
Century	14,973	80,706	(83,753)	11,926
Clovis Elementary	22,974	86,884	(88,890)	20,968
Cole	19,661	80,704	(73,123)	27,242
Copper Hills	12,009	96,562	(98,359)	10,212
Dry Creek	6,986	141,355	(110,446)	37,895
Fancher Creek	27,026	76,363	(76,606)	26,783
Fort Washington	8,331	59,578	(53,465)	14,444
Freedom	29,351	94,872	(98,309)	25,914
Fugman	77,706	123,059	(132,265)	68,500
Garfield	14,792	123,876	(114,879)	23,789
Gettysburg	35,096	91,334	(68,152)	58,278
Jefferson	16,447	64,026	(64,994)	15,479
Liberty	15,452	61,298	(58,573)	18,177
Lincoln	12,215	47,238	(55,746)	3,707
Maple Creek	17,385	55,494	(61,256)	11,623
Mickey Cox	16,788	82,483	(78,735)	20,536
Miramonte	14,672	64,205	(59,500)	19,377
Mountain View	29,079	80,658	(86,851)	22,886
Nelson	10,244	74,859	(73,667)	11,436
Oraze	50,032	65,311	(65,058)	50,285
Pinedale	3,944	30,015	(32,417)	1,542
Reagan	11,700	73,856	(53,249)	32,307
Red Bank	58,967	111,128	(103,947)	66,148
Riverview	45,339	77,500	(102,770)	20,069
Sierra Vista	5,488	32,245	(31,868)	5,865
Tarpey	9,360	64,338	(65,965)	7,733
Temperance-Kutner	30,733	50,280	(53,849)	27,164
Valley Oak	10,980	57,791	(48,049)	20,722
Weldon	11,543	90,571	(86,589)	15,525
Woods	21,332	103,761	(107,092)	18,001
Total	$ 680,461	$ 2,593,038	$ (2,509,133)	$ 764,366

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards (SEFA)

Basis of Presentation
The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Clovis Unified School District (the District) under programs of the federal government for the year ended June 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Clovis Unified School District, it is not intended to and does not present the financial position or changes in net position or fund balances of the District.

Summary of Significant Accounting Policies
Expenditures reported in the schedule are reported on the *modified accrual* basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Indirect Cost Rate
The District does not draw for indirect administrative expenses and has not elected to use the ten percent de minimus cost rate.

Food Donation
Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. For the fiscal year ended June 30, 2020, the District had used $1,095,487 in food commodities.

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

Districts must maintain their instructional minutes at the 1986-1987 requirements as required by *Education Code* Section 46201.

Due to school closures caused by COVID-19, the District filed the COVID-19 School Closure Certification certifying that schools were closed for 53 days due to the pandemic. As a result, the District received credit for these 53 days in meeting the annual instructional days requirement. In addition, planned minutes covered by the COVID-19 School Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

Reconciliation of Annual Financial and Budget Report With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District, and displays information for each Charter School on whether or not the Charter School is included in the District audit.

Non-Major Governmental Funds - Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

Agency Funds - Combining Balance Sheet and Statement of Changes in Assets and Liabilities

For each school site with an Associated Student Body (ASB), this schedule discloses the school site's individual ASB account balance. The total reported reconciles to the amount reported on the Fiduciary Funds - Statement of Net Position.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clovis Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs .The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Fresno, California
January 17, 2021

Opinion on Each Major Federal Program
In our opinion, Clovis Unified School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance
Management of Clovis Unified School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clovis Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clovis Unified School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Fresno, California
January 17, 2021

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with laws and regulations applicable to the following items:

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No (see below)
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (see below)
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No (see below)
Middle or Early College High Schools	No (see below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No (see below)
Comprehensive School Safety Plan	Yes
District of Choice	No (see below)
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No (see below)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No (see below)
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	No (see below)
Nonclassroom-Based Instruction/Independent Study for Charter Schools	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instruction Minutes Classroom-Based	No (see below)
Charter School Facility Grant Program	No (see below)

We did not perform procedures for Independent Study because the independent study ADA was under the level that requires testing.

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

The District does not have any Juvenile Court Schools; therefore, we did not perform procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform procedures related to Middle or Early College High Schools.

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform District of Choice procedures because the program is not offered by the District.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety Program.

The District does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

We did not perform procedures for the Charter Schools Mode of Instruction nor Annual Instruction Minutes Classroom-Based because the District's charter school is entirely nonclassroom-based.

Additionally, we did not perform procedures for the Charter School Facility Grant Program because the District did not receive funding for this program.

Unmodified Opinion
In our opinion, Clovis Unified School District complied with the laws and regulations of the state programs referred to above for the year ended June 30, 2020.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Fresno, California
January 17, 2021

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Special Education Cluster	84.027, 84.173

Dollar threshold used to distinguish between type A and type B programs:	$ 918,593
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

Type of auditor's report issued on compliance for programs:	Unmodified

The following finding represents a significant deficiency related to the financial statements that is required to be reported in accordance with Government Auditing Standards. The finding has been coded as follows:

Five Digit Code	AB 3627 Finding Type
30000	Internal Control

2020-001 30000

Internal Control Over Financial Reporting

Criteria

School districts are responsible for maintaining accurate financial statement information including properly recording and reporting all financial transactions and balances.

Condition

We discovered the balance of cash proceeds were not recorded within the District's general ledger and therefore, not uploaded into their final Unaudited Actuals reporting package as of June 30, 2020. The cash balance and related transaction for the proceeds from the lease agreement related to Certificates of Participation issued by the Central Valley Support Services JPA amounted to $12,528,811.

Effect

The amounts were material and an audit adjustment was necessary both at the fund reporting level as well as additional full accrual conversion entries for the entity wide financial statements.

Cause

These types of adjustments are extremely rare for the District. A few factors contributed to the oversight. The proceeds from this transaction were not expected to be deposited with the fiscal agent until July 2020, not June 30, 2020 at which date they posted to the accounts. Additionally, the COVID-19 pandemic had the business office almost entirely working in a completely or partially remote environment; that, coupled with additional responsibilities and issues requiring attention regarding COVID-19 grants and the distance learning coordination and planning we feel led to the oversight.

This finding is not a repeat of or related to a finding in the previous year.

Recommendation

The District should always validate, especially in late fiscal year transactions, the ending June 30, balance of all District related accounts especially those held by fiscal agents as those accounts are typically quite large and active.

Corrective Action Plan

The COVID-19 pandemic had the business office almost entirely working in a remote environment, coupled with additional responsibilities and issues requiring attention related to COVID-19 led to this oversight. The District will be more diligent in the future to ensure all debt is appropriately recorded to the general ledger.

None reported.

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.